



SAVEMOBILE.ORG

SENATE HIGHWAYS AND TRANSPORTATION

EXHIBIT NO.

2

DATE:

3/26/09

BILL NO.

HB 416

March 26, 2009

Chairman Brueggeman and Committee,

The S.A.V.E. Foundation would like to reiterate its support for HB 416, which exempts people who make their own biodiesel from waste vegetable oil from the state road tax. This bill encourages the safety of those who are already making their own fuel by encouraging them to do it openly, rather than clandestinely.

Homegrown alternative fuels provide rural economic opportunities, energy security, additional markets for farmers, and environmental benefits. We encourage your favorable vote for HB 416 for these reasons. Further, this bill sets forth an alternative fuel foundation leading to larger scale production in the future. That non-individual production will provide tax revenue.

We strongly disagree with the fiscal note. To our knowledge, there is virtually no state revenue currently collected from persons using homemade biodiesel or straight vegetable oil ("SVO"). The loss in state special revenue for FY2011 is insignificant. If homemade fuel gains popularity, there may be additional people using this exemption. Under current law however, they would be unlikely to file with the state at all.

Furthermore, we fail to see why 0.25 FTE is required. The form required would be very similar to existing forms (such as the Biodiesel Fuel Tax Refund Application)(attached), and require only minimal labor: filing the annual reports of 300 producers, likely fewer than that the first few years. We believe the minimal work can be accomplished within the Department's existing resources.

On a technical note, this legislation would not supersede the federal road tax. It is important for advocates of this legislation and the department to educate users on paying their federal taxes. If this bill passes, we are committed to providing education on to users about how to pay their federal fuel taxes.

Either our Chairman, Tyler Evilsizer, or myself will be available for any question during executive action.

We encourage the committee to pass HB 416.

Respectfully,

Matt Elsaesser, Executive Director
The S.A.V.E. Foundation, 501(c)(3)

The S.A.V.E. Foundation, 501(c)(3)
P.O. Box 1481 Helena, MT 59624
406.449.6008 • recycle@savemobile.org



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Biodiesel Montana Tours

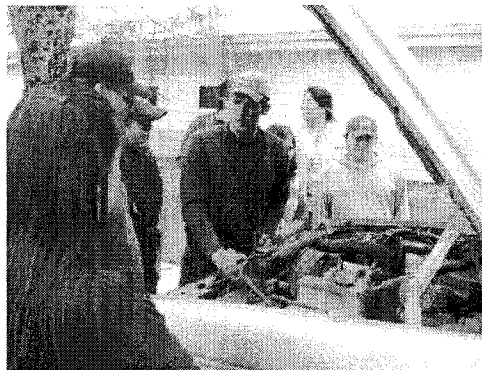
By the S.A.V.E. Foundation

The S.A.V.E. Foundation has traveled more than 2,000 miles across the state to promote the economic and environmental potential of Biodiesel for Montana. The tours have included a series of free concerts at restaurants, schools, and community colleges featuring the music of Singer/Songwriter Jason DeShaw of Plentywood and actual demonstrations on how to make Biodiesel.

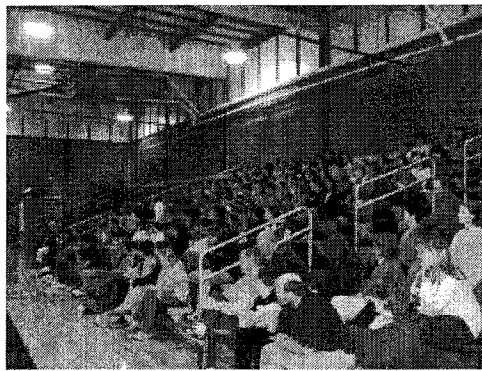
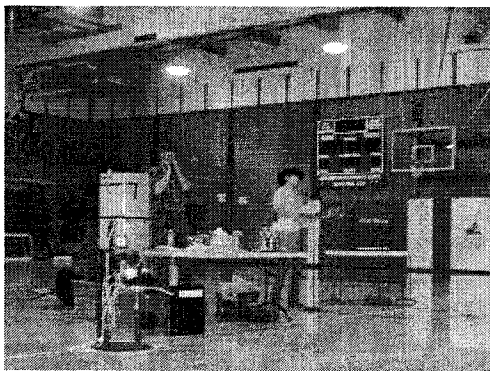
We have presented in dozens towns across Montana, including stops in Bozeman, Helena, Missoula, Great Falls, Winnett, Circle, Jordan, Sidney, Crow Agency, Lame Deer, Avon, Ingomar, Livingston, Miles City, Box Elder, Roundup, and Havre, where the university has recently added a biodiesel testing facility.



Biodiesel Montana educated farmers in Ingomar about the benefits of growing their own fuel.



Rancher Andy Brown explains the details of the fuel lines outside Little Big Horn College.



Country singer Jason Deshaw entertains grades 7-12 in Harlowton.

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serving you with pride

Fuel Tax Management and Analysis Bureau

2701 Prospect Ave

PO Box 201001

Helena, MT 59620-1001

Phone: (406) 444-7276 FAX: (406) 444-6032 TDD: (406) 444-7696

www.mdt.mt.gov

BIODIESEL FUEL TAX REFUND APPLICATION

SECTION A ☐ Distributor ☐ Retailer (Please indicate which refund you are applying for.)

Owner Name:		Calendar Quarter:
Trade Name (DBA)		Distributor License Number: if applicable
Address Line 1:		SSN or FEIN
Address Line 2:		Phone Number:
City	State	Zip Code

BIODIESEL FUEL TAX REFUND INFORMATION – MCA 15-70-369

- A licensed distributor who pays the special fuel tax under MCA 15-70-343 on biodiesel, as defined in 15-70-301, may claim a refund equal to 2 cents a gallon of biodiesel sold during the previous calendar quarter if the biodiesel is produced entirely from biodiesel ingredients produced in Montana.
- The owner or operator of a retail motor fuel outlet may claim a refund equal to 1 cent a gallon on biodiesel on which the special fuel tax has been paid and that is purchased from a licensed distributor. The biodiesel must be produced entirely from biodiesel ingredients produced in Montana.
- To receive the refund, the distributor or retailer must file for refund within 30 days after the end of each calendar quarter. The distributor must report their supplier of the biodiesel and gallons sold. The retailer must report the gallons of biodiesel purchased.

Instructions:

All information is required to process tax refund payment.

- Complete Section A
- Complete Section C on back
- Enter total gallons listed in Section C (on back) on Section B, line 1 (summary).
- Calculate fuel tax amount to be refunded.
- Sign and date application form.
- Attach original bills of lading or invoices listed in Section C.
- Submit to Montana Department of Transportation, FTMA Bureau
PO Box 201001
Helena, MT 59620-1001

SECTION B - Summary

- Number of gallons of biodiesel purchased/sold -Enter total from Section C on back... _____
- DISTRIBUTORS ONLY: Tax Refund (Line 1 x \$.02)\$ _____
- RETAILERS ONLY: Tax Refund (Line 1 x \$.01).....\$ _____
- Calculate your refund: Add lines 2 and 3.....\$ _____

For the purposes of obtaining the tax refund claimed, I declare and represent that the above and foregoing is a true and correct statement showing biodiesel produced in Montana from Montana ingredients purchased and/or sold by the applicant and that the said claim against the State of Montana is just and wholly unpaid.

Authorized Signature _____ Title _____ Date _____

By cooperative agreement, the Montana Department of Transportation exchanges fuel tax information with other tax collecting agencies.
Alternate accessible formats of this document will be provided up on request.

COMPLETE BACK

